Power Sector Reforms in Andhra Pradesh

880. DR. Y. LAKSHMI PRASAD: Will the Minister of POWER be pleased to state:

(a) whether the Andhra Pradesh Government has submitted a proposal to assist the State in their venture for Power Sector reforms involving huge funding;

(b) if so, the details thereof; and

(c) the decision taken by Government to assist the State Government in their reforms measure?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (b) Yes, Sir. Government of Andhra Pradesh had submitted a proposal in July, 1998 for restructuring of liability of the erstwhile Andhra Pradesh State Electricity Board. The proposal included, interalia, request for financial concessions and adjustments on the part of four power sector CPSUs viz. REC, PFC, NTPC and PGCI. It was proposed that all the outstanding dues and future payments to be made by the erstwhile APSEB had to be restructured broadly on the basis of (i) Moratorium on payment of interest and repayment for five years (ii) cumulation of the interest for these five years (iii) Repayment and interest to be paid over ten years after the moratorium period.

(c) The Government of India have already extended concessions to Andhra Pradesh by way of additional power allocation including 100% allocation from 1000 MW Simhadri Project of NTPC and transfer of 150 MW of power from Eastern Region Power Stations of NTPC. APSEB is the largest borrower of PFC in terms of both numbers and quantum of loans. PFC has already given loans in excess of APSEB's capacity to borrow. Further, the Government of India has extended 1% interest subsidy over and above the 4% subsidy allowed under the Accelerated Generation and supply Programme—on PFC loans to the States who have set up SERC's by 31st March, 1999. Andhra Pradesh is also a beneficiary to this scheme. Accordingly, any further re-scheduling of APSEB's loans may not be practicable.